

THE
SUPERIOR COURSE
IN
DOUBLE-ENTRY BOOKKEEPING

LESSON IV.



THE D. C. SMITH AUDIT CO.

AND

COMMERCIAL SCHOOL

LIGGETT CHAMBERS, HAMILTON, CANADA



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SUPERIOR COURSE

IN

DOUBLE-ENTRY BOOKKEEPING

LESSON IV.



IN the three previous lessons we have made use of the synoptic as a medium for posting, and, as stated before, this book is largely used, but a great number of firms have these records contained in several books such as the general journal, sales books, purchase book and cash book. To illustrate this we are enclosing a synoptic form (Fig. 1) similar to the one shown in Lesson III, and have crossed out the columns for which we have supplemented separate books.

The General Journal takes the place of the "Sundries" column to a certain extent, as it provides a place for making entries which do not belong to other books. While every set of books should contain a general journal, it is not used much in modern bookkeeping systems, as most of the required entries can be made through other books. The entries usually in a journal are those required when a business is started, the closing entries at the end of a business period, adjusting entries, etc. Fig. 1 in the model set is an example of a general journal and some of the entries which might be required.

The Sales Book replaces the merchandise credit column and the accounts receivable debit column. All sales are entered in this book usually from the original order forms, which are numbered, a column being provided in the sales book for entering these numbers. In this way it is possible to ascertain if every order has been charged by seeing if every order number is entered in the sales book. The entries in this book are posted to the debit of their respective accounts in the accounts receivable ledger. Fig. 3 is an example of a sales book.

The Purchase Book takes the place of the debit merchandise column and the accounts payable credit column, and is the opposite to the sales book, it being for the purpose of recording all goods purchased for the business. These entries are obtained from the invoices of the people from whom the purchase is made. The invoices are numbered and a column is provided in the purchase book for entering these numbers. If it is desired to find the particulars of a purchase the invoice number is found by the purchase book, and if the invoices are filed consecutively it would be an easy matter to get the required information.

The amounts in the purchase book are posted to the credit of their respective accounts in the accounts payable ledger. An example of a purchase book is shown in Fig. 4 of the model set. You will see from Fig. 1 that after deducting from the synoptic those columns for which we have provided other books that the only columns remaining are those shown in Fig. 5 of the model set. This is a form of **Cash Book**, sometimes called a Synoptic Cash Book. In this book only entries for receipts or payments of cash are entered, as will be seen from the class of entries in the cash book of the model set.

POSTING.

In the model set we have made use of a sales account and purchase account in the general ledger, which replaces the merchandise account previously used. The postings are made to the debit of the accounts in the accounts receivable ledger from the sales book, and at the end of the month the accounts receivable controlling account in the general ledger is debited with the total sales for the month and the sales account credited with the same amount.

The postings from the purchase book are directly opposite. The individual amounts are credited to their respective accounts in the accounts payable ledger, and the total purchases for the month are debited to the purchase account in the general ledger and credited to the accounts payable controlling account.

The general journal postings are made directly to the accounts they affect in the same manner as the postings were made from the "sundries" column in previous lessonos. It must be remembered, though, that if any entries in the journal affect any accounts in the accounts receivable and accounts payable ledger that a corresponding entry should be made in their respective controlling accounts in the general ledger. If this is

DOUBLE-ENTRY BOOKKEEPING

3

not done these two ledgers (accounts receivable and accounts payable) will not balance with their controlling accounts, and it is likely that the general ledger would not balance either. An entry of this kind is shown in the general journal in the model set on February 20th. If this entry is followed through to the ledgers these facts will be clearly understood.

Postings are made from the cash book in the same manner as previously explained in connection with the synoptic form, the only individual amounts posted being those in the accounts receivable and accounts payable columns. The totals of all columns are posted to their general ledger accounts at the end of the month.

In order to illustrate the use of these books and the posting to the ledgers we will use the following transactions to write up in the model set:—

TRANSACTION 3.

Feb. 1, 1912.—S. Wood started in business as a wholesale furniture dealer in a warehouse rented from L. Dwyer at \$100.00 per month.

The following statement shows the particular of his investment:—

ASSETS.

Entry No. 1 General Journal.

Cash in Bank	\$2000.00
Stock on Hand (cost)	1450.00
Furniture and Fixtures	350.00
	<hr/>
	\$3800.00

LIABILITIES.

Accounts Payable	\$ 550.00
G. Grand	\$ 400.00
F. Jarvis	100.00
K. Smith	50.00
	<hr/>
S. Wood (net worth)	3250.00
	<hr/>
	\$3800.00

SUPERIOR COURSE IN

Entry No. 2 Cash Book.

Feb. 1.—Paid month's rent in advance, \$100.00, by cheque.

Entry No. 3 Cash Book.

Feb. 1.—Withdrew \$25.00 from the bank to be used for paying petty accounts.

Entry No. 4, Purchase Book.

Feb. 2.—Bought goods amounting to \$410.00 from M. Scott & Co. Terms, 2% 10 days, net 30 days. Invoice and goods received and found to be O.K.

Entry No. 5, Sales Book.

Feb. 3.—Sold goods amounting to \$240.00 to J. Weir. Terms, 3% 15 days, net 60 days.

Entry No. 6, Sales Book.

Feb. 5.—Sold goods to S. Warren amounting to \$85.00. Terms, net 15 days.

Entry No. 7, Cash Book.

Feb. 6.—Gave G. Grand a check for \$400.00 in payment of account.

Entry No. 8, Purchase Book.

Feb. 7.—Bought goods from T. Swan & Bros. amounting to \$95.05. Invoice and goods received O.K. Terms, net 30 days.

Entry No. 9, Sales Book.

Feb. 9.—Sold goods to J. Weir amounting to \$75.60. Terms, net 30 days.

Entry No. 10, Sales Book.

Feb. 10.—Sold goods to E. Parker amounting to \$171.30. Terms, net 30 days.

Entry No. 11, Cash Book.

Feb. 12.—Gave M. Scott & Co. cheque for \$401.80 in payment of invoice Feb. 2, \$410.00, less discount \$8.20.

Entry No. 12, Sales Book.

Feb. 14.—Sold goods to E. Parker amounting to \$97.20. Terms, net 30 days.

Entry No. 13, Cash Book.

Feb. 14.—Gave F. Jarvis a note for \$100.00, due Feb. 27, in settlement of his account.

Entry No. 14, Purchase Book.

Feb. 15.—Bought goods from D. Simpson & Co. amounting to \$350.00. Goods and invoices received O.K. Terms, net 30 days.

Entry No. 15, Cash Book.

Feb. 15.—Paid half month's salary to man in warehouse, \$40.00.

Entry No. 16, Purchase Book.

Feb. 16.—Bought goods from D. Simpson & Co. amounting to \$411.35. Goods and invoice received O.K. Terms, net 30 days.

Entry No. 17, Sales Book.

Feb. 16.—Sold goods amounting to \$45.75 to R. Potter. Terms, net 30 days.

Entry No. 18, Cash Book.

Feb. 19.—Paid cash \$5.50 for advertising.

Entry No. 19, Cash Book.

Feb. 19.—J. Weir paid \$232.80 in payment of goods bought Feb. 3, \$240.00, less discount \$7.20.

Entry No. 20, General Journal.

Feb. 20.—J. Warren claims he has been overcharged \$4.50 on goods purchased Feb. 5, so his account is credited with this amount.

Entry No. 21, Cash Book.

Feb. 20.—J. Warren pays his account, \$80.50.

Entry No. 22, Sales Book.

Feb. 21.—Sold goods amounting to \$176.12 to L. Taylor Terms, 2% 10 days, net 30 days.

Entry No. 23, Cash Book.

Feb. 22.—Paid a boy 50 cents for going messages.

Entry No. 24, Cash Book.

Feb. 22.—Deposited \$300.00 in bank.

Entry No. 25, Sales Book.

Feb. 24.—Sold goods to J. Weir amounting to \$240.00. Terms, net 30 days.

Entry No. 26, Cash Book.

Feb. 25.—Bought \$5.00 worth of stamps for cash.

Entry No. 27, Purchase Book.

Feb. 26.—Bought goods from T. Swan & Bros. amounting to \$240.20. Goods and invoice received O.K. Terms, 2% 10 days, net 30 days.

Entry No. 28, Cash Book.

Feb. 27.—The bank paid note due today in favor of F. Jarvis.

Entry No. 29, Cash Book.

Feb. 29.—Paid man in warehouse balance of month's salary, \$40.00.

After entering and posting all entries for the month it is usually required to take off a balance of the general ledger, accounts receivable and accounts payable ledgers. This is done in the model set Fig. 6, 7, 8.

The statement of assets, liabilities and net worth, Fig. 9, is the same as previously explained, so it will not be necessary to discuss it further.

The profit and loss statement, Fig. 10, is also prepared in the same manner as in Lesson III., except that the sales and purchases being in separate accounts the inventory of \$2278.02 is entered to the credit of the purchase account instead of to the merchandise account as before.

When closing the ledger it is only necessary to close accounts which show a profit or loss, but in the model set we have also closed the accounts showing assets and liabilities in order to illustrate the manner in which this is done. Some bookkeepers prefer closing all accounts in order to show clearly the balances at the beginning of the next period.

DOUBLE-ENTRY BOOKKEEPING

2

[illegible]

Entry

1	Feb.	1	Cash, in bank	\$2000 00	
			Merchandise, stock on hand (cost)	1450 00	
			Furniture and Fixtures	350 00	
			Accounts Payable		\$550 00
			G. Grand	\$400.00	
			F. Jarvis	100.00	
			K. Smith	50.00	
			<u>S. Wood, Net Investment</u>		3250 00
			Investment as per statement of condition this date:—		
20		20	Sales	4 50	
			J. Warren (Accounts Receivable)		4 50
			Overcharge on goods bought Feb. 5.		

Entry 1912

Entry 1912			Order No.	
5	Feb. 3	J. Weir 3% 15 days, net 60 days	1	\$ 240 00
6	5	S. Warren Net 15 days	2	85 00
9	9	J. Weir Net 30 days	3	75 60
10	10	E. Parker Net 30 days	4	171 30
12	14	E. Parker Net 30 days	5	97 20
17	16	R. Potter Net 30 days	6	45 75
22	21	L. Taylor 2% 10 days, net 30 days	7	176 12
25	24	J. Weir Net 30 days	8	240 00
			<u>\$1130 37</u>	

DOUBLE-ENTRY BOOKKEEPING

9

PURCHASE BOOK (FIG. 4)

Entry 1912			Invoice No.		
4	Feb. 2	M. Scott & Co. Invoice this date 2% 10 days, net 30 days	1		\$ 410 00
8	7	T. Swan & Bros. Invoice this date Net 30 days	2		95 05
14	15	D. Simpson & Co. Invoice this date Net 30 days	3		350 00
16	16	D. Simpson & Co. Invoice this date Net 30 days	4		411 35
27	26	T. Swan & Bros. Invoice this date 2% 10 days, net 30 days	5		240 20
					1506 60

ACCOUNTS RECEIVABLE LEDGER.

J. WEIR.

1912		Fol.		Dr. or Cr.		Bal.
Feb. 3		S.	\$ 240 00	Dr.	\$ 240 00	
9		S.	75 60	Dr.	315 60	
24		S.	240 00	Dr.	555 60	
19		C.		240 00	Dr.	315 60

S. WARREN.

1912		Fol.		Dr. or Cr.		Bal.
Feb. 5		S.	85 00	Dr.	85 00	
20		J.		4 50	Dr.	80 50
20		C.		80 50		

				Synoptic			
Particulars				Cash		Bank	
No.	1912			Dr.	Cr.	Dr.	Cr.
2	Feb	1	Rent, Ch. to L. Dwyer				100.
3			Cheque for cash	25.00			25.
7		6	L. Grand, Cheque				400.
12		12	M. Scott				401.
13		14	F. Jarvis, Noted due Feb 27				
15		15	Wages, Warehouseman				40.
18		19	Advertising		5.50		
19			J. Weir, Feb 24 th acct	232.80			
21		20	J. Warren, acct to date	80.50			
23		22	Messengers		50		
24			Deposit		300.00	300.00	
26		25	Stamps		5.00		
28		27	Paid F. Jarvis noted due today				100.
29		29	Wages Warehouseman				40.
				238.30	311.00	300.00	1106.9

tic Cash Book (Fig. 5)

Bank Ac. to Pay Ac. to		Int & Divid		Bills Pay.		Furn. & Exp.	
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
100.00							100.00
25.00							
400.00	400.00						
401.80	410.00		8.20				
	100.00				100.00		
40.00							40.00
							5.50
		240.00	7.20				
		80.50					
							.50
0.00							5.00
100.00				100.00			
40.00							40.00
0.00	1106.80	910.00	320.50	7.20	8.20	100.00	100.00
							191.00

SUPERIOR COURSE IN ACCOUNTS RECEIVABLE LEDGER—Continued.

E. PARKER.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 10					
14		S.	171 30	Dr.	171 30
		S.	97 20	Dr.	268 50

R. POTTER.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 16					
		S.	45 75	Dr.	45 75

L. TAYLOR.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 21					
		S.	176 12	Dr.	176 12

ACCOUNTS PAYABLE LEDGER.

G. GRAND.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 1					
6		J.			
		C.	400 00	\$ 400 00 Cr.	\$ 400 00

F. JARVIS.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 1					
14		J.			
		C.	100 00	100 00 Cr.	100 00

K. SMITH.

1912		Fol.		Dr. or Cr.	Bal.
Feb. 1					
		J.			
				50 00 Cr.	50 00

DOUBLE-ENTRY BOOKKEEPING

18

M. SCOTT & CO.

1912		Fol.		Dr. or Cr.		Bal.
Feb. 2		P.				
12		C.	410 00	410 00	Cr.	410 00

T. SWAN & BROS.

1912		Fol.		Dr. or Cr.		Bal.
Feb. 7		P.				
26		P.		95 05	Cr.	95 05
				240 20	Cr.	335 25

D. SIMPSON & CO.

1912		Fol.		Dr. or Cr.		Bal.
Feb. 15		P.				
16		P.		350 00	Cr.	350 00
				411 35	Cr.	761 35

GENERAL LEDGER.

ACCOUNTS PAYABLE.

1912		Fol.		Debit.	Credit.	Fol.	1912	
Feb. 29		C.		\$ 910 00	\$ 550 00	J.		
29	Balance			1146 60	1506 60	P.	1 Feb.	
				2056 60	2056 60		29 Feb.	
					1146 60	Balance	1 Mar.	

ACCOUNTS RECEIVABLE.

1912		Fol.		Debit.	Credit.	Fol.	1912	
Feb. 29		S.		\$1130 97	4 50	J.		
					320 50	C.	20 Feb.	
					805 97	Balance	29 Feb.	
				1130 97	1130 97		29 Feb.	
Mar. 1	Balance			805 97				

SUPERIOR COURSE IN

FURNITURE AND FIXTURES.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 1	J.	\$ 350.00			

EXPENSE.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 29		\$ 191.00	\$ 191.00		
		191.00	191.00	By P. & L. Acct.	29 Feb.

S. WOOD, PROPRIETOR.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 29	Net Worth	3507.89	\$3250.00 257.89	J. Investment By P. & L. Acct.	1 Feb. 29 Feb.
		3507.89	3507.89		
			3507.89	Net Worth	29 Feb.

PROFIT AND LOSS.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 29	Pur. Acct. Expenses To S. Wood Acct. Net Profit	\$ 678.58 191.00 257.89 1127.47	\$ 1116.47 1.00 1127.47	Sales Interest and Discount	29 Feb. 29 Feb.

INTEREST AND DISCOUNT.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 29	C.	\$ 7.20	\$ 8.20		
29 Feb.	To P. & L.	1.00			29 Feb.
		8.20	8.20		

BILLS PAYABLE.

1912	Fol. Debit. Credit. Fol.				1912
Feb. 29	C.	\$ 100.00	\$ 100.00	C.	
		100.00	100.00		29 Feb.

DOUBLE-ENTRY BOOKKEEPING

14

MERCHANDISE—SALES.

1912	Fol.	Debit.	Credit.	Fol.	1912
Feb. 20	J.	\$ 4 50	\$1130 97	S.	29 Feb.
29	To P. & L.	1126 47			
		1130 97	1130 97		

MERCHANDISE—PURCHASES.

1912	Fol.	Debit.	Credit.	Fol.	1912
Feb. 1	Invent'y J.	\$1450 00	\$2278 02	Inventory	29 Feb.
29	P.	1506 60	678 58	By P. & L. Acct.	29 Feb.
		2956 60	2956 60		
Mar 1	Invent'y	678 58			

CASH.

1912	Fol.	Debit.	Credit.	Fol.	1912
Feb. 29	C.	\$ 338 30	\$ 311 00	C.	29 Feb.
			27 30	Balance	29 Feb.
		338 30	338 30		
Mar 1	Balance	27 30			

BANK.

1912	Fol.	Debit.	Credit.	Fol.	1912
Feb. 1	J.	\$2000 00	\$1106 80	C.	29 Feb.
29	C.	300 00	1193 20	Balance	29 Feb.
		2300 00	2300 00		
Mar 1	Balance	1193 20			

Note:—The heavy print in the ledgers is in red ink, and in actual practice these entries would be made in red ink. Please remember this in working out the examinations.

SUPERIOR COURSE IN

GENERAL LEDGER TRIAL BALANCE, FEB. 29, 1912 (FIG. 6)

Accounts Receivable	\$ 805.97	Accounts Payable	\$1146.60
Furniture & Fixtures	350.00	S. Wood, Prop.	3250.00
Expense	191.00	Interest and Discount	1.00
Purchases	2956.60	Sales	1126.47
Cash	27.30		
Bank	1193.20		
	<u>5524.07</u>		<u>5524.07</u>

(Fig. 7.)

(Fig. 8)

Accounts Receivable, Feb. 29, 1912.

Accounts Payable, Feb. 29, 1912.

J. Weir	\$ 315.60	K. Smith	50.00
E. Parker	268.50	T. Swan & Bros.	335.25
R. Potter	45.75	D. Simpson & Co.	761.35
L. Taylor	176.12		
	<u>805.97</u>		<u>1146.60</u>

S. WOOD (FIG. 9)

STATEMENT OF ASSETS, LIABILITIES AND NET WORTH AS
ON FEB. 29, 1912.

Assets.		Liabilities and Net Worth.	
Cash, on hand	\$ 27.30	Accounts Payable	\$1146.60
Cash, in bank	1193.20	S. Wood, Net Worth	3507.89
Accounts Receivable	805.97	Feb. 1 Investment	\$3250.00
Stock on hand	2278.02	29 From Profit & Loss Acct	257.89
Furniture & Fixtures	350.00		
	<u>4654.49</u>		<u>4654.49</u>

S. WOOD (FIG. 10.)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE
MONTH OF FEB., 1912.

Sales	\$1126.47				
Stock on hand Feb. 1 \$1450.00					
Purchases for month 1506.60					
	2956.60				
Stock on hand Feb. 29 2278.02					
Merchandise cost of sales	678.58				
Gross Profit	447.89				
Interest and Discount	1.00				
	448.89				
Expenses for month	191.00				
Net Profit for month to F. Wood Account	257.89				

LESSON NO. IV.—EXAMINATION PAPER

1.—Enter the following transactions on the forms provided:

Aug. 1, 1913.—A. Hunter starts in the wholesale grocery business in a warehouse rented from E. Smith at \$85.00 per month, payable in advance.

Following are the particulars of his investment:

ASSETS.

Cash in bank	\$1500.00
Stock on hand (cost)	2375.00
Accounts receivable	350.00
A. Miller	\$130.00
F. Bell	220.00
	<hr/>
	\$4225.00

LIABILITIES.

{ Bills Payable	\$ 900.00
{ Note in favor of Marsh Bros. due Aug. 10th.	
A. Hunter, Net Investment	3325.00
	<hr/>
	\$4225.00

Aug. 1.—Drew a cheque for \$50.00 cash for paying petty accounts.

Aug. 1.—Paid by cheque \$85.00 rent in advance to E. Smith.

Aug. 2.—Bought goods from M. Archer & Co. amounting to \$263.90. Invoice and goods received O.K. Terms, net 15 days.

Aug. 2.—Gave a cheque for sale \$100.00 to Evans Bros.

Aug. 2.—Paid \$5.00 cash for postage stamps.

Aug. 4.—Bought goods from Sterne Bros. amounting to \$150.50. Goods and invoice received O.K. Terms, 2% 10 days, net 30 days.

Aug. 4.—Received from A. Miller cash \$130.00 in payment of account.

Aug. 4.—Sold goods to T. Brown amounting to \$98.40. Terms, 2% 10 days, net 30 days.

Aug. 5.—Paid by cheque for advertising \$20.00.

Aug. 5.—Sold to Reid & Co. goods amounting to \$300.65. Terms, net 30 days.

Aug. 6.—Bought goods from F. Eastwood amounting to \$50.00. Goods and invoice received O.K. Terms, net 30 days.

Aug. 6.—Paid by cash \$3.75 for cartage.

- Aug. 6.—Deposited \$125.00 in the bank.
- Aug. 7.—Paid by cheque weekly salaries \$45.00.
- Aug. 7.—Sold goods to A. Miller amounting to \$79.98. Terms, 2% 10 days, net 30 days.
- Aug. 7.—Received from F. Bell \$100.00 on account.
- Aug. 7.—Paid 50 cents cash to messenger.
- Aug. 8.—Bought goods from Keller Canning Co. amounting to \$279.90. Terms, 2% 10 days, net 30 days.
- Aug. 8.—Sold goods to D. Snow amounting to \$76.80. Terms, net 10 days.
- Aug. 9.—Paid \$5.65 cash for stationery.
- Aug. 9.—Deposited \$100.00 in the bank.
- Aug. 10.—The bank paid note in favor of Marsh Bros. due today, \$900.00.
- Aug. 10.—Received \$120.00 from F. Bell.
- Aug. 10.—Paid cash 75 cents for cartage.
- Aug. 11.—Sold goods to A. Miller amounting to \$30.20. Terms, net 30 days.
- Aug. 11.—Gave a cheque for \$35.00 to Evans & Co. for an office desk.
- Aug. 13.—Sold goods to Reid & Co. amounting to \$171.83. Terms, net 30 days.
- Aug. 13.—Bought goods from Keller Canning Co. amounting to \$176.80. Goods and invoice received O.K. Terms, net 30 days.
- Aug. 14.—Received cash from T. Brown \$96.43 in payment of goods purchased on the 4th, \$98.40 less 2% discount.
- Aug. 14.—Gave a cheque for \$147.48 to Sterne Bros. in payment of invoice Aug. 4th, \$150.50 less 2% discount.
- Aug. 14.—Paid by cheque weekly salaries \$45.00.
- Aug. 15.—Gave F. Eastwood note \$50.00 due Sept. 9 in settlement of invoice Aug. 6th.
- Aug. 15.—Bought goods from Sterne Bros. amounting to \$210.00. Invoice and goods received O.K. Terms, net 30 days.
- Aug. 15.—Bought goods from P. Swanson & Co. amounting to \$81.00. Invoice and goods received O.K. Terms, 2% 10 days, net 30 days.
- Aug. 16.—Reid & Co. were overcharged \$21.75 on goods purchased Aug. 5. Give them credit for this amount.
- Aug. 16.—Paid cash \$5.00 for postage stamps.
- Aug. 18.—A. Miller paid cash \$78.38 in settlement of goods purchased Aug. 7, \$79.98, less 2% discount.

SUPERIOR COURSE IN

Aug. 18.—D. Snow paid cash \$76.80 in settlement of his account.

Aug. 18.—Deposited \$250.00 in the bank.

Aug. 18.—Gave Archer & Co. cheque for \$263.90 in payment of invoice Aug. 2.

Aug. 18.—Gave Keller Canning Co. a cheque for \$274.30 in payment of their invoice Aug. 8, \$279.90, less 2% discount.

Aug. 19.—Reid & Co. paid \$300.00 on account.

Aug. 20.—Deposited \$275.00 in the bank.

Aug. 21.—Sold goods to W. L. Harris amounting to \$300.10. Terms, 2% 10 days, net 30 days.

Aug. 21.—You return goods amounting to \$6.75 to P. Swanson & Co. Charge him this amount.

Aug. 21.—Paid by cheque weekly salaries \$45.00.

Aug. 22.—Bought goods from Archer & Co. amounting to \$80.80. Goods and invoice received O.K. Terms, net 15 days.

Aug. 23.—Paid by cash cartage \$2.40.

Aug. 25.—Gave P. Swanson & Co. a cheque for \$72.66 in settlement of invoice Aug. 15, \$81.00, less goods returned, \$6.75, less discount, \$1.59.

Aug. 25.—Sold goods to L. Hunter amounting to \$220.75. Terms, net 10 days.

Aug. 26.—Sold goods to F. Bell amounting to \$148.30. Terms, 2% 10 days, net 30 days.

Aug. 27.—Bought goods from P. Swanson & Co. amounting to \$32.19. Goods and invoice received O.K. Terms, 2% 10 days, net 30 days.

Aug. 28.—Paid weekly salaries by cheque \$45.00.

Aug. 29.—Paid cash \$2.85 telephone account.

Aug. 30.—Sold goods to T. Brown amounting to \$189.76. Terms, 2% 10 days, net 30 days.

Stock on hand, \$2386.94.

2.—Add the different books and post the totals. Also post the individual accounts payable and accounts receivable items.

3.—Prepare a trial balance of the general ledger. Prepare a reconciliation of the accounts payable and accounts receivable ledgers.

4.—Close the books and transfer the balance of the profit and loss account to A. Hunter's account.

5.—Prepare a statement of assets, liabilities and net worth as of August 31, 1913.

6.—Prepare a profit and loss statement for the month.

